

LA. TECHNOLOGY INNOVATIONS COUNCIL MEETING MINUTES

MONDAY, AUGUST 24, 1998

Members present: J. Renea Austin, Bill Beyer, Senator Tom Greene, Tom Hagan and Butch Speer

Chairperson Renea Austin called the meeting to order. Marian Patterson called roll. Quorum was established.

R. Austin opened the meeting by stating the purpose of today's meeting was to

give consideration to the proposals that have been submitted to the Technology Innovations Fund. The floor was opened for motions regarding the awarding of proposals. The first proposal is the Office of Women's Services=creating a Communications Network. She asked if any member wanted to open for discussion or a motion.

B. Beyer stated his assessment of this project was that they really need a jump start on technology, but this didn't quite seem the way to start it. The Office of Women's Services didn't have the staffing, and he stated that he thought the council needed to encourage them to partner with other agencies to help them get moving with the technology, but he did not think this is an innovative project. R. Austin asked if he wanted to make a motion. B Beyer said yes and moved that it not be funded. T. Hagan seconded the motion. R. Austin asked if there were any discussion or objections. Being none, the proposal was not recommended for funding.

Next proposal for consideration was the Department of Health and Hospitals Compressed Video proposal. R. Austin asked if there was any discussion.

B. Speer stated that in the Council's discussion last week with DHH, his impression was that this is a project that could be funded within their appropriations. One of the published guidelines for the technology fund or the purpose of the fund is described as operating as the equivalent of a venture capital fund in the private sector. He stated that DHH has a legitimate purpose for this video project and for the expansion of their telemedicine project, but he did not feel this fits the stated purpose of the fund, and that is to allow agencies to stretch their technology scope and reach into areas that will be truly innovative either in the application of technology or in providing a service that is heretofore or at that point not provided otherwise. He stated he felt DHH could certainly find this 2 million dollars within their multi-billion dollar budget to fund this expansion. He moved that this project not be funded by the council.

R. Austin asked for further discussion or comments.

B. Beyer stated he felt the proposal was a very innovative use of technology and could provide alot of services for the State as a whole. He stated if in fact DHH could have found the money, why did they submit this request through the Technology Council.

Senator Greene asked if the Council was turning down DHH permanently

or just shelving this until we get the rest of the applications and make a determination at that time. He asked if voting on the proposals that stood out could be voted on today and the remainder be voted on at a later date.

R. Austin stated the Council was voting on all of the proposals today. It is up to the agency if they choose to submit again during the next funding cycle which ends

October 1.

Senator Greene stated the Council could send the message that they could reapply. R. Austin stated yes and said she agreed with what B. Speer has said regarding this particular proposal. Her concern was in addition to the fund being setup to operate like a venture capital type of arrangement, it is also set up to provide seed money. This is a project that has already begun as a pilot at one of their locations; therefore, it is not Aseed money." Seed is in quotes in the guidelines, so she tended to agree with B. Speer on those grounds that it is already a project that has begun. The agency has done it and it is not like they are starting it from ground zero with doing it.

B. Speer has made a motion that this project not be funded. R. Austin asked for a second. Senator Greene seconded the motion. There were no objections, thus the project was not recommended for funding.

Next proposal was the Division of Administration-s Document Management System. T. Hagan stated the proposal would benefit the DOA and other state agencies, but this is not new technology nor is it particularly innovative. It is for putting in a Document Management System. He further stated the other concern he had with the proposal was no firm commitment from MIS to do the programming necessary to really see this through. It would be placed on a list of things to do and prioritize. That could be a couple of years out. It did not have back file conversion cost specified and it was relying upon student labor for the document entering. He stated he votes not to fund this project.

R. Austin asked if that was a motion. T. Hagan stated it was his motion. R. Austin asked for further discussion or comments. B. Speer seconded the motion not to fund the project. R. Austin abstained from voting on this proposal. The proposal was not funded.

The next proposal was the Department of Justice Document Management System. R. Austin asked for comments or motions.

B. Speer stated he was not prepared to make a motion, but wanted to make a statement that this particular project falls very close to the line as far as the stated purpose for the fund. Seed money would not be provided because the Dept. of Justice went to the legislature and secured that for themselves in the past appropriations process. He stated on the other hand, he thought what the department is talking about doing is an innovative project, but the technology itself is not overly innovative. Its application to this department would enhance the services they provide to their clients; i.e., public being elected and appointed officials throughout the State of Louisiana and who they serve as the principal legal officer for the state. After discussion at the last meeting, he left somewhat confused about what the department was specifically asking for. B. Speer stated he would be prepared to vote for funding for Phase 2.

R. Austin questioned what is Phase 2.

Michael Riley with the Department of Justice stated Phase 2 would involve the remaining Baton Rouge offices other than the Civil and Litigation Divisions which would be the Criminal, Gaming and Administrative Services Division. R. Austin asked what the amount would be. M. Riley stated both phases 2 and 3 were totaling \$560,000. It was not broken down between the two phases.

T. Hagan asked if Phase 2 was funded, would the phases need to be broken down. B. Speer stated the Council could ask them to make a clarification to us and have it broken down if that was the will of the council.

B. Beyer asked if it was feasible for the Criminal Division to go ahead and implement it for one division. M. Riley stated the project will start with both the Litigation and the Civil Divisions, and then it could be feasible to just move onto one division at a time afterwards. T. Hagan stated there was a motion on the table which B. Speer was subject to amendment. T. Hagan offered an amendment to defer action on it today and ask them to come back with specific figures as to what the Phase 2 is and consider it on the next round. B. Speer asked if the Council wanted the Department to break out their request per division. T. Hagan stated yes.

R. Austin stated the revised motion was to postpone action on the funding today and ask for a breakdown by division for Phase 2 to be considered at the next meeting of the council.

R. Austin stated that she objected simply on the grounds that this is not a pilot project. They have funding available for Phase 1. Theirs was already an operational program, though not complete. They do have funding for it already. So in an effort to be consistent, she objected to any funding at all withstanding Mr. Speer's comment. She asked Marian Patterson to call roll.

The council was voting on R. Austin's substitute motion to no funding. Vote as follows: B.Beyer, T. Hagan, R. Austin, Senator Greene-yes and B. Speer no.

R. Austin stated the project will not be recommended for funding.

Next proposal is the Department of Wildlife and Fisheries Point of Sale for Hunting and Fishing Licenses. R. Austin asked if there was any discussion.

T. Hagan stated this was one project that was innovative. He remarked this proposal was in the spirit of what the fund was set up to do--provide seed money for implementing such. He thought this was being bid out and was going to be paid for totally by fees generated, but it was pointed out at the last meeting that the Department does need money to buy the initial terminals plus the database equipment, which totals \$1.4 million. T. Hagan reiterated that \$1 million is the max that can be provided under the fund guidelines. Numerous items are involved in the \$1.4 million request (i.e., transaction fees, RFP and contract negotiation, consulting fee, advertising, renovation of offices, etc.) T. Hagan offered a motion to make an award for the acquisition of the Point of Sale Terminals, development of the database, plus the 15 PC's for the district offices. The total of the award would be \$864,681.

Senator Greene seconded the motion.

R. Austin stated without objection, \$864,681 will be awarded according to items outlined by T. Hagan's motion.

Next proposal is Department of Public Safety's Online Insurance Reporting System. R. Austin called for questions or comments.

B. Speer stated he believes the \$25,000 in the proposal for the consulting fee to do the programming and database construction should be invested by Public Safety as an equity investment and on the basis of the presentation that was made two weeks ago, he believed this was a truly innovative solution to an ongoing problem with non-insured motorists. He moved for approval for funding for the \$98,888 which is their proposal less the \$25,000 consultant fee. R. Austin stated the figure would be \$98,888.

T. Hagan questioned Rex McDonald with the Department of Public Safety if the reasoning for hiring the consultant was the department did not have the staff. R. McDonald stated it was a combination of expertise and hours at this time during the Y2K process and everything else going on. He stated the department could certainly use the money, but they could get it done without it. He stated either way, the department had to go with the project.

T. Hagan asked if DPS had the expertise in-house to do this. R. McDonald stated he had a few people. The employees are involved in other projects and he would have to pull them off of

those projects to do this.

R. Austin asked if DPS could find resources to come up with the \$25,000 for outside professional services.

R. McDonald stated DPS had an appropriation for Y2K work that includes consultant fees. He has identified probably \$40 or \$50,000 in the \$100,000 allowed in that area.

R. Austin asked if that could be used. R. McDonald stated he was a little concerned about going there because DPS is not really Y2K ready, but if it replaces effort that he puts on Y2K, it might be a legitimate use of it.

R. Austin stated there was a motion. She called for a second. T. Hagan seconded the motion. She asked if there was any objection to recommending approval of \$98,888. There were no objections. Without objection, the DPS proposal was approved at \$98,888.

Next proposal was Southern University at New Orleans Electronic Commerce

Proposal.

R. Austin called for questions or comments.

T. Hagan stated in reading the proposal, he believed the proposal was innovative but the project itself would not benefit state agencies. He stated because of the state procurement laws, it could not be implemented and show a lot of benefit to the state. He further stated the seed money in this proposal was to set up basically a private enterprise. T. Hagan stated he thought it should be funded privately, and offered a motion not to fund the proposal.

R. Austin called for a second to the motion or any other comments or objections.

B. Speer requested to make a comment. He stated that the vast majority of state agencies would not be assisted by this. He stated if this type of venture could not be funded and shown to work, then he didn't seriously think the state will ever get into what should be an area of purchasing that would greatly benefit every agency, board, commission, office, person who has to interact with state purchasing. He further stated when the fund was set up by the Commissioner and approved by the Legislature, this was the type of thinking that was foreseen; i.e., somebody within state government reaching into an area that they could not or would not go into and showing how through the use of technology the services either inside the community of the state government as this one would or to the citizens of the state could be enhanced, improved, and made more efficient. He stated he believed all of the above would be a result of electronic commerce one of these years. With that statement, he registered his objection to the motion.

Senator Greene seconded the motion.

R. Austin asked for roll to be called. Vote as follows: B. Beyer, T. Hagan,

R. Austin-yes, Senator Greene and B. Speer-no. R. Austin stated the vote fails and the proposal will not be funded.

R. Austin stated the next proposal for recommendation is the Military Department's Reengineering through Information Technology (Integrated Information Support System). She mentioned all Council members should have in front of them a copy of a letter from Major General Bennett Landreneau clarifying their submission of their grant application in that it should have been submitted as two proposals from two separate agencies; one being from the National Guard and the other from Emergency Preparedness. The technical reviews were presented as separate proposals.

The first vote would be for the Louisiana National Guard which is the Distance Learning and the Reserve Component Automated Systems. She asked if there was any discussion or motion.

B. Speer stated since the Council was looking at the proposals last week separate but combined, he is confused as to what the actual request is for Distance Learning. T. Hagan stated it was around \$667,000.

R. Austin verified that amount. She further stated the Reserve Component Automation portion was \$1,322,703 and the Emergency Preparedness section (Sky

Cell Satellites) was \$544,000.

B. Speer stated the Council had a self-imposed limit per grant application of \$1 million that has been adopted. The request for Distance Learning and Reserve is right at \$2 million. As the Council has discussed and listened to the proposals over the past month, Distance Learning capabilities for our state is fast rising above the horizon. This is the third proposal or one of the three proposals in this particular submission that are asking for funding of Distance Learning. He stated he was impressed that the Military Department and OTM were working so closely together to insure that we were not going to duplicate the process. He felt whatever the council can do to improve the services of Distance Learning Centers throughout the state should be invested. He moved for approval for \$1 million maximum grant to the Department of Military for their combined Distance Learning implementation.

Senator Greene stated he had the same thoughts as B. Speer. He stated it seems as if everyone is into Distance Learning. And as you achieve these different capabilities, it does make sense financially if agencies could piggyback alot; i.e.,

Dept. of Education, the Universities, Community College, etc. He further stated he didn't know who would coordinate it, but it definitely needs to be done.

R. Austin asked if he was seconding the motion and Senator Greene stated yes.

B. Beyer stated he liked this proposal because of the sharing of resources. He stated he did not have the specific numbers, but some component of the proposal was buying PC-s and PBX-s. He wondered if that was appropriate. He was not prepared to amend this to where it was something less than \$1 million to exclude those particular items.

B. Speer stated there was no reason that the Council couldn't tell them that they couldn't spend money on particular portions. He agreed with B. Beyer in regard to the PBX issue, though he stated the investment in technology it may cause the Council some concern. He stated to tell people to start using greater technology but you are not going to get the desktops to do it on presents the question of what we're actually investing in. Mr. Speer further stated he would amend his own motion to direct that whatever money is provided by this council is not to be invested in the upgrading of the PBX, but certainly the investment of the PC-s. B. Beyer stated he thought it would be a bad idea to put PBX upgrading into any of the appropriations. B. Speer agreed.

R. Austin asked if there were any further comments.

Senator Greene asked if you are awarded half of what you are requesting what will you be able to accomplish with half. B. Beyer stated the request was for \$524,000 for desktop computers and the telephone equipment (PBX-s) was \$668,000. He stated there are perhaps some other mechanisms out there such as lease financing and such that the capitalization for that equipment could be done and perhaps not have to have it all come from the Technology Fund. Regardless, the Council is limited to \$1 million.

Senator Greene stated he didn't want to go over the million, but did not want the

agency to have the excuse to say they didn't receive enough money and were unable to accomplish anything. He stated that B. Speer stated they should at least be able to do the distance learning. B. Beyer stated that amount covers all the distance learning because it was \$667,000.

Senator Greene stated that maybe in the motion you can indicate to prioritize where the appropriation would be spent. T. Hagan informed Senator Greene that last week the Council asked the representative of the National Guard for their own prioritization. The prioritization was as follows: (1) SkyCell; (2) Distance Learning and

(3) Reserve Component Automation System (RCAS). He stated he was basing this on the assumption that they were forth right in that and that they will invest in the Distance Learning portion of this proposal fully and whatever money is leftover for RACS will be invested in the PC component of that. Senator Greene agreed.

R. Austin asked if someone would like to restate the motion as it is now.

B. Speer offered a motion that this Council approve the funding of a \$1 million grant to the Military Department of the State of Louisiana to be invested by them in fully funding their proposal on Distance Learning and whatever moneys remain after that to invest in their proposal on RACS, specifically prohibiting them from investing this money provided by this Council in upgrading their PBX.

Senator Greene seconded the motion. R. Austin objected on the grounds of consistency again in that this agency has received a large sum of federal funds for both of these systems. While she did agree that the Distance Learning is necessary, is needed and it is innovative, they have existing resources to fund this to some level. It is not Aseed money@again. B. Beyer stated part of this required matching funds and he thought some the award could be used as matching funds.

R. Austin stated that may be true, but it was not clear to her during their presentation whether or not they had requested the matching funds through the regular budgetary process. She stated the vote will occur on the objection to the motion, the original motion.

Senator Greene asked since R. Austin was objecting, was the vote on the motion. She stated the vote is to be on the motion which was to fund it up to \$1 million excluding the PBX. B. Beyer asked if it was practicable to leave the RCAS portion out of this funding completely and go with the Distance Learning.

R. Austin stated in regard to the Distance Learning request the department

has approximately \$1.4 million from the federal government. The second phase which they were requesting from the state was \$667,000 in the form of this request and that request also includes two FTE-s at \$60,000. B. Beyer stated the Distance Learning piece could stand alone separate and apart from RCAS.

R. Austin stated yes. She stated if B. Speer wanted to amend his motion again to separate them out. He stated no. The vote on the motion to award \$1 million to fully fund the Military Department-s proposal on Distance Learning with whatever monies remaining after that to be invested in their RACS proposal, specifically prohibiting them from reinvesting the money provided by the Council in upgrading their PBX. The vote is as follows: B. Beyer, Senator Greene, R. Austin-no, B. Speer and T. Hagan-yes.

Senator Greene made a motion to move the Distance Learning portion of the proposal. B. Beyer asked what the last vote was. R. Austin stated it was 3 to 2 - no.

Senator Greene asked for a motion to fund the Distance Learning portion of the project for \$667,000 and further stated the agency can come back and ask again in the next cycle for portions of it. T. Hagan seconded the motion.

R. Austin objected but stated if Senator Greene was going to going to carry his

motion, she wanted to ask that he revise it to exclude the two FTE-s since those are ongoing expenses. Senator Greene agreed. R. Austin stated it would be less the \$60,000 for the two FTE-s which is \$607,000. She asked if he was revising his motion.

Senator Greene stated yes.

R. Austin objected.

B. Beyer said he wanted to make the point that he agrees with the Chairperson-s concern that this is not technically seed money, but he thinks this does really build on the federal funding. He stated he was voting for it. The vote was as follows: B. Beyer, T. Hagan, B. Speer, Senator Greene-yes and R. Austin-no. R. Austin stated by a vote of 4 to 1, the Distance Learning portion of the project will be funded.

The second part of this request was the Office of Emergency Preparedness for the Skycell Satellite System.

T. Hagan stated this was a very innovative project. It is not carry forward of an existing one that is already started. I think it is something new that the Office of Emergency Preparedness has planned and he believed it would provide a benefit to all citizens. If there is an outage of power any where, the Office of Emergency Preparedness could go by satellite and communicate and have data terminals operating. The total amount requested is \$544,000. He entered a motion to approve that amount. B. Speer seconded the motion. There were no further comments or objections. The proposal was approved for funding of \$544,000.

The next proposal was the LSU Shreveport System wide Implementation of the PeopleSoft Software. R. Austin asked for any discussion or motions.

T. Hagan stated that while the PeopleSoft application software package is on the leading edge, it is not particularly innovative since it is already being done at a couple of other campuses, and this is strictly implementation. He offered a motion not to fund this proposal and B. Speer seconded the motion. The proposal was not approved for funding.

The last proposal was from the LSU Medical Center New Orleans for the Patient Identification and Tracking Program.

B. Speer stated the proposal from the LSU Medical Center is the type of proposal that is very close to his imagined goal in regard to the type of proposal the Council would receive. He stated they are seeking to use some very innovative technology in a progressive way to manage the business of the Charity Hospital System to provide better service to their clientele, their patient clientele and to the State of Louisiana. The use of the fingerprint recognition technology is something that everyone in the State will be able to benefit from indirectly. He further stated if they make this a successful project, he expects we will be seeing a lot greater installation of this type of recognition technology throughout the state. He made a motion to fund \$861,000 to the LSU Medical Center of New Orleans.

R. Austin stated the proposal was for \$1,016,138. She asked B. Speer to identify which part they did not need. B. Speer indicated part of their proposal was a direct appropriation need for \$961,850 and \$100,000 software development cost. He stated that the \$100,000 for software development should be an equity investment on the part of the Medical Center. R. Austin stated the Medical Center has not begun this project. B. Speer stated that was true. They have not begun the project and it is the type of innovative use of technology that this Council was set up to encourage. He further stated as the point was made two weeks ago, people should not be punished because they possibly have another source of funds.

B. Beyer stated there was \$54,288 indirect cost. B. Speer explained to B. Beyer he took the \$54,288 out and came up with \$861,850. R. Austin called for a second to the motion. B. Beyer seconded the motion. There was no objection. The proposal was approved for \$861,850.

R. Austin stated that was the conclusion of the awards for proposals. She mentioned other areas of business that the Council needed to discuss. Per the legislation, Section 213 (A)(1)(B) requires that no later than September 1st of each year the Council shall review and revise if necessary the guidelines and the standard proposal form and submit any revisions to the Office of Planning and Budget. Last week the Council received a copy of a draft of changes to the guidelines that was prepared by Tom Burkes. There was not alot of consistency again in terms of submission of the proposals simply because there was not a lot of information given to the agencies in terms of their submission. The changes in the guidelines were

offered as a revision to the guidelines to possibly assist the agencies in providing better and more information so the Council does not have to ask for an additional round of information as in the first round of proposals. She asked if there were any comments or revisions to the proposed draft.

T. Hagan mentioned there were limits placed on the amount of information to be provided. He

suggested limiting the technical approach to 4 pages and implementation approach to 2 pages. If supporting materials are added with this, some of the proposals are 2 inches thick.

B. Beyer stated not to limit how much they submit, but require a two-page executive summary. R. Austin stated an executive proposal should include an executive summary. She asked if there were any further questions or comments.

B. Speer stated with the proposed changes, he did not feel the agencies would feel any more constraint to answer specific questions than they did the first time. He stated the agency should completely leave out discussions of innovation or how the proposal fits into long range planning. He believed the agencies read the guidelines

as a directive and simply submitted a proposal. He suggested there be certain areas

that are required for submission and the remaining be actually labeled as optional if there are any of these that the Council believes are optional.

Mr. Speer also made comments relative to 2nd page in E on Long Range Planning. He thought the Council would have the benefit of more information relative to the IT plans for the submitting agencies where and how their request to the

Council fits within those IT plans. In reading both the original proposals and the resubmission, he stated he thought that area was absolutely ignored 100% of the time. He stated he would like to know personally before these things are voted on whether these are projects they dreamed up after the Fund was created, or were they in a formulated plan for IT development and were not going to be funded or requested until years in the future because of the constraints that the state budget process puts on state agencies. Mr. Speer's last comment was relative to benchmarking.

He stated in truly innovative technology it will be a rare occasion if someone in this state is the first person to think about how to use it or actually implement a use. He suggested the Council direct the agency to find a bench mark and explain it to the Council and give some contact points on it so that if the Council chooses to, they can find out what the experience of the benchmarking partner or the other person using the technology has been.

T. Hagan stated he mostly agreed with B. Speer's comments. He stated there could be a project that crops up that you may not have a benchmark against. B. Speer commented if that was the case, he would like the agency to state they are the first person in the history of mankind to think of using this particular technology in this particular way. As a positive statement to use that yes they are not only innovative but they are the first innovators.

B. Beyer stated his only comment on this was the idea of partnering with other entities within

the state to make those happen is something he wanted the Council to emphasize.

R. Austin mentioned to B. Beyer under project narrative on the first page about midway down, it states what organizations are participating as project partners. She stated she believed that could be a step toward what he was requesting. She stated she agreed with B. Speer's comments and it should be required that every proposal answer items A-J which are all the basic pieces of the proposal, whether it is applicable to them or not. They should so state it. In the benchmarking piece there may be a case where there is not one and if so, they should state that. In the opening comments on the guidelines prior to them being sent out, she stated there should be a directive that each proposal shall contain a response to Items A-J. She asked if there were any further comments.

Senator Greene asked if the Department of Education had submitted a proposal and R. Austin stated no. She stated one application had been received for the October 1st deadline.

She stated if the proposed guidelines are approved, the changes will be submitted to the Office of Planning and Budget and they will go out with instructions for the budget process as well as a letter will be sent to agency heads with a copy of the new guidelines stating the new deadline, which is October 1st, and the web page will be updated. R. Austin brought up the point B. Speer made whether or not these proposals were part of a plan that an agency had or whether they dreamed them up because the moneys were available or whatever. She said she was not exactly sure because it has not been a requirement that agencies have an IT plan. An IT master plan should be forthcoming shortly for the state that includes a template for agencies to follow to do an internal IT plan that should mirror their strategic plan which they are required to do. When the CIO comes on board that will become a requirement that they do a master plan and we will have a better handle at that point on whether or not this was some long range goal in which they had. She reiterated at this point, she could not honestly say whether or not any of these have been a part of an agency's plan or whether they dreamed them up because resources were available or they thought it was just a good idea to try. She did not know if any of the other Council members are aware of any agencies having IT plans.

T. Hagan stated there are some agencies who have long range IT plans, but they are not in the same format. He stated the advantage of the template approach is that it is on the Internet. It allows the agency to create data and look at their previous data and make projections and so forth.

R. Austin stated there is a motion on the proposed draft guidelines that will include necessary changes that were discussed.

Senator Greene called for the adoption of the guidelines and T. Hagan seconded the motion.

There were no objections and R. Austin stated the guidelines will be modified as per the

discussion and mailed to agencies for the October 1st second funding cycle.

She stated a Memorandum of Understanding has been prepared that the agency will be required to sign off prior to receiving the funds, and a letter of award will include all of the guidelines as per the law on what they are required to do.

Ms. Austin stated a new date needed to be established for another meeting.

She asked Council members about meeting November 4. Council members agreed on November 4 (time to be determined at a later date). Agency presentations would be made at that time. She called for a motion to adjourn. Senator Greene made the motion and T. Hagan seconded the motion. Meeting adjourned.